

## Rep. Holly Hughes (District 91)

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**From:** Vince Rogala <vince@campmackinaw.com>  
**Sent:** Monday, November 26, 2018 9:14 AM  
**To:** Rep. Holly Hughes (District 91)  
**Subject:** Before voting on SB 703-707" you may want to see this video on its flaws

The short attached video explains how Senator Wayne Schmidt's bill 703-707 strengthens the so called "Tourism Marketing Act", giving large hotel owners the legal right to use our Room Tax money to effectively muscle out small local businesses they see as competition.

**How can this happen?** In communities where a few hotel owners have a monopoly over their local Visitors Bureau, the law allows Visitors Bureaus to use Room Tax revenues to promote hotels at the expense of local businesses deemed competition—like campgrounds.

**Is this really a thing?** Yes, this law allowed the Mackinaw Area Visitors Bureau to impose a membership fee for Mill Creek Campground from \$500 a year, to over \$10,000. All 3 Mackinaw City campgrounds were financially forced out memberships in their local Visitors Bureau after receiving notice of the outrageous fee hikes.

**Isn't the tax money supposed to be used to help the Entire community? After all its, called the "TOURISM MARKETING ACT."** Nope! The hotel lobby years ago made sure that the room tax money is only legally required to promote the hotel industry. Our local Visitors Bureau is not required to use the \$600,000 a year collected in room taxes to promote restaurants, gift shops, water parks, golf courses, historic parks, or campgrounds like ours, unless the hotel owner-controlled visitors bureau deem it beneficial to their hotel businesses.

**Isn't there a State office with oversight control to whom you can report your grievance?** Not Really! This law was set up nearly 40 years ago without any real governmental procedures for addressing grievances.

**Can't you just not join and avoid paying?** Nope! Any lodging business with 10 or more rooms is required to pay the room tax. Our campground is required to pay over \$25,000 per years based on its cabin rentals. Apparently, that is not enough, as our Visitors Bureau is now requiring our campground pay thousands of dollars more for a separate "membership fee", or lose out on advertising through the Visitors Bureau marketing program.

### How to FIX this Flawed LAW.

1. Require by law that the Director of the Michigan Strategic Fund:
  - a. Has authority over membership fees and advertising rates.
  - b. Has authority over the composition of a bureau's board.
  - c. Require these tax dollars are truly used to promote the entire community.
  - d. Give the legal right for any lodging entities to legally opt out of forced membership/collection of the Room Tax assessment.
  - e. Provide Administrative Procedures for addressing grievances against local visitors bureau by businesses within the assessment district.

f. More protection over the private financial statements which are audited by the independent CPA, confidentially statements/non-disclosure should be part of the yearly audit process.

**OR, JUST VOTE NO - ON SB 703 – 707**

Video Link: [https://youtu.be/5BI\\_jSP7DA](https://youtu.be/5BI_jSP7DA)

For more information.

<http://www.campmackinaw.com/news/?p=1195>

Sincerely,

Vince Rogala  
Mackinaw Mill Creek Camping  
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